

~~C O N F I D E N T I A L~~

02-5862-86

29 MAY 1986

OIT/THIS

MEMORANDUM FOR: Deputy Director for Operations, OIT

25X1 FROM:

[REDACTED]
Acting Chief, Engineering Division, OC

25X1 SUBJECT: STU-III Interface Cost Information [REDACTED]

REFERENCE: OIT-0395-86 dated 15 May 1986

1. The original baseline for the STU-III Interface would have included the interfacing capability for voice and data at an estimated cost of \$3.0 million. Reference advises that the STU-III Interface requires only a voice interface to Headquarters Secure Telephone System (HSTS) with a future data transmission capability. The estimated cost is \$2.5 million. Information to support this estimate is not conclusive but is based on the ongoing STU-II Automated Controller (SAC) contract. [REDACTED]

2. The STU-III Interface project lends itself to various structuring methods to meet funding limitations. However, there are five basic phases to this project: design, prototype development, system production, system integration/test, and installation. These phases can be spread over two fiscal years to meet funding constraints. The following chart indicates the phases, percentage cost for each, and the time to complete:

<u>PHASE</u>	<u>PERCENT COST</u>	<u>TIME</u>
1. Design	30%	4 mo.
2. Prototype Development	20%	2 mo.
3. System Production	30%	5 mo.
4. Integration & Test	10%	1 mo.
5. Installation	10%	2 mo.

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3. If there are any questions concerning the above, please
contact